

In September, 1952 the Commonwealth Statistician circulated a questionnaire to a number of businesses to obtain details about the operations of any superannuation and pension funds operated by them. Information was also asked as to the amounts of pensions and retiring allowances paid directly by these businesses during their latest financial year. The results of this survey are summarised below.

The survey was conducted on a sample basis. Businesses had been classified some 18 months previously according to the total wages paid by them. For this survey, returns were sought from a proportion of those businesses which at that time had made wage payments greater than £2,000 per month. This would have corresponded to about 50 employees. Altogether about 1,900 businesses were circulated and returns were received from about 1,580, representing a response of slightly more than 80 per cent. Governments, most government business undertakings (e.g. electricity undertakings, railways, tramways) and private businesses primarily engaged in rural industry were excluded. Statutory coal miners' pension funds were also excluded. Details of the operations of the more important government superannuation funds are to be found in the Finance Bulletins published by the Commonwealth Bureau of Census and Statistics, while details of the operations of the coal miners' pension funds are to be found in reports of the respective State Auditors-General.

The questionnaires for this survey were circulated in September, 1952 and returns were received up to June, 1953. Respondents were asked to supply details in respect of their latest financial year and the results relate mostly to the year 1951-52. Apart from those in the following section the figures herein are estimated totals for the whole field from which the sample was drawn, that is for all private non-rural businesses employing more than about 50 persons.

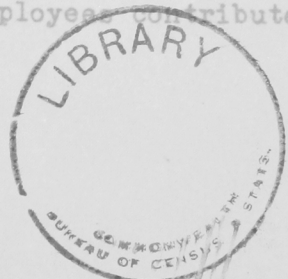
I. NUMBER OF SUPER ANNUATION SCHEMES ANALYSED

Table I shows the actual number of businesses which supplied information, the number of these businesses which operated one or more pension or superannuation fund and the number of separate funds involved. It should be explained that in some instances businesses which are legally separate entities contribute to a common fund. In a smaller number of cases a single business runs more than one fund. On balance, therefore, there is a smaller number of funds than there are businesses contributing to them.

TABLE I : ACTUAL NUMBER OF BUSINESSES AND SUPERANNUATION FUNDS SURVEYED

Industry	Businesses Surveyed	Businesses contributing to Superannuation Funds	Funds Analysed	
			Total	Managed through Life Assurance Companies
Manufacturing	954	710	610	440
Wholesale and retail trading	317	249	240	161
Other industries	307	198	171	103
TOTAL:	1,578	1,157	1,021	704

For purposes of sampling and analysis, businesses were divided into two size groups. All the larger businesses - those with more than about 200 employees - were asked for a return, but only a proportion of the smaller businesses. About 84 per cent of the large businesses and 54 per cent of the smaller were operating a superannuation fund. The proportion of businesses operating funds was greatest in the Wholesale and retail trading group and least in the all other industry group. In this all other industry group pension funds were relatively fewest in the building industry where only about 40 per cent of the larger businesses and 20 per cent of the smaller were operating a fund. About 65 per cent of the funds operated by large businesses and 78 per cent of those operated by smaller businesses were managed through life assurance companies. The remainder were separately constituted trust funds set up by the businesses contributing to them. Employees contributed to about 80 per cent of the funds analysed.



## II. FINANCIAL OPERATIONS OF PRIVATE SUPERANNUATION FUNDS

This section summarises, by industry, the estimated total contributions by employers and employees to superannuation funds. Details are given separately for schemes managed through life assurance companies and for separately constituted funds.

Table 2 gives details of superannuation schemes managed through life assurance companies in which the whole of the contributions to the fund are applied to the payment of premiums on individual policies payable on death or retirement.

TABLE 2 : SCHEMES MANAGED THROUGH ASSURANCE COMPANIES

Industry	Contributions		Number of Employees who contributed
	Employees £'000	Employers £'000	
Manufacturing			
Engineering, Vehicles	769	1,064	28,600
Textile, Clothing	191	295	8,300
Food, Drink, Tobacco	254	378	13,200
Other manufacturing	585	1,000	25,700
Total manufacturing	1,799	2,737	75,800
Transport	297	453	9,100
Wholesale trade	633	984	27,500
Retail trade	351	617	19,600
Other industries	345	594	15,200
TOTAL:	3,425	5,385	147,200

In addition to the schemes covered in the above table there are also schemes in which a part of the available funds are applied to the payment of premiums on life assurance policies. The amounts involved, which were small, could not on the available information be allocated as between employers and employees, and the details have been included in the analysis of the separately constituted funds in table 3.

Table 3 shows details of the estimated income and expenditure, and Table 4 the estimated total value of assets, of the separately constituted superannuation funds.

TABLE 3 : INCOME AND EXPENDITURE OF SEPARATELY CONSTITUTED FUNDS

£'000

Industry	Income					
	Contributions		Property Income		Other Income (a)	Total Income
	Employees	Employers	Govt. Bond Interest	Other Property Income		
Manufacturing						
Engineering, Vehicles	539	1,091	88	246	4	1,968
Textile, Clothing	20	120	7	12	5	164
Food, Drink, Tobacco	183	411	109	314	19	1,036
Other manufacturing	483	817	67	199	10	1,576
Total manufacturing	1,225	2,439	271	771	38	4,744
Transport	196	296	38	45	95	670
Wholesale trade	653	1,860	192	195	4	2,904
Retail trade	142	482	45	190	32	891
Other industries	1,533	3,828	796	756	147	7,060
TOTAL:	3,749	8,905	1,342	1,957	316	16,269



Industry	Expenditure				Increase in Fund
	Pensions	Lump Sum Payments	Other Expenditure (b)	Total Expenditure	
Manufacturing					
Engineering, Vehicles	103	288	146	537	1,431
Textile, Clothing	1	14	14	29	135
Food, Drink, Tobacco	202	91	39	332	704
Other manufacturing	90	143	134	367	1,209
Total manufacturing	396	536	333	1,265	3,479
Transport	33	73	34	140	530
Wholesale trade	79	190	160	429	2,475
Retail trade	62	98	25	185	706
Other industries	1,046	123	333	1,502	5,558
TOTAL:	1,616	1,020	885	3,521	12,748

(a) Includes profit on sale of investments and receipts from assurance companies for surrendered policies etc.

(b) Includes loss on sale of investments, refunds, administrative expenses paid from funds, and life assurance premiums paid. The largest item was refunds, which totalled about £500,000.

TABLE 4 : ASSETS OF SEPARATELY CONSTITUTED FUNDS

£m.

Industry	Cash and Bank Balances	Gov't Bonds	Other Government & Semi-govt. Securities	Loans on Mortgage	Debentures	Shares in Companies	Other Assets	Total Assets
Manufacturing	1.0	8.3	7.2	.4	2.7	6.7	2.0	28.3
Transport	.2	1.1	.4	(a)	.1	.8	.3	2.9
Trade	.8	7.6	3.7	.7	.7	1.9	2.1	17.5
Other industries	5.4	23.6	7.1	5.9	3.1	2.0	.8	47.9
TOTAL:	7.4	40.6	18.4	7.0	6.6	11.4	5.2	96.6

(a) Less than £50,000.

Although, as indicated in table 1, schemes managed through life assurance companies considerably outnumbered the separately constituted funds, both employers and employees paid more to the latter type of fund. This reflects, of course, the greater concentration of separately constituted funds among the larger businesses. This tendency is most noticeable in the "other industries" group which includes the Commonwealth Bank and major trading banks. (Separate figures for the banks are not available for publication). Employers' contributions were considerably greater than employees', especially in the case of separately constituted funds. This results partly from the inclusion of some funds financed solely by employer contributions, but even in the others it was common for the employers' contribution to exceed the employees'.

An important fact brought out in table 3 is that payments out of the funds in the form of pensions, retiring allowances, refunds etc. amounted to only about one quarter of the total receipts of the funds, leaving an estimated £12,748,000 to be added to the accumulated funds. As with Australian life assurance offices whose funds are increasing rapidly, this reflects the comparatively young age distribution of the Australian population. The recent growth in the number of superannuation funds and in the scale of their business has also no doubt had the effect of increasing the number contributing for future benefits relative to the number currently enjoying such benefits.

Table 4 shows that more than half of the assets of private superannuation funds are held in the form of Commonwealth or other government and semi-government securities. The next most important group of assets is shares in companies, estimated at £11.4m., and of this amount about 40 per cent is invested in the shares of the company managing the scheme, its parent company or its subsidiaries.

The numbers of contributors to, and beneficiaries of, these funds are shown in Table 5.

TABLE 5 : NUMBER OF CONTRIBUTORS TO AND BENEFICIARIES OF  
SEPARATELY CONSTITUTED FUNDS

Industry	Number of employees or former employees who, in 1951-52 -		
	Contributed to a fund	Were receiving a pension (a)	Retired and received a lump sum payment (a)
Manufacturing			
Engineering, Vehicles	16,400	600	900
Textile, Clothing	1,000	(b)	200
Food, Drink, Tobacco	6,600	900	200
Other manufacturing	15,300	400	800
Total manufacturing	39,300	1,900	2,100
Transport	6,700	100	800
Wholesale trade	22,000	500	700
Retail trade	4,900	100	600
Other industries	46,900	3,300	700
TOTAL:	119,800	5,900	4,900

(a) Includes dependants of former employees to whom benefits were paid after the death of the employee.

(b) Less than 50.

Relative to employment in the respective industries the banks (included in "other industries") have the greatest proportion covered. Wholesale trade is next with probably something of the order of 15 per cent of its employees contributing to separately constituted funds, and about another 20 per cent contributing to schemes managed through life assurance companies (see table 2). On the other hand, businesses engaged primarily in retail trading showed a very small proportion of employees as contributing to superannuation funds.

### III. DATE OF COMMENCEMENT OF SCHEMES

Table 6 summarises the dates at which the various schemes were commenced or made applicable to Australian employees.

TABLE 6 : DATE OF COMMENCEMENT OF SCHEMES  
(per cent distribution)

Industry	Before 1940	1940 to 1945	1946 to 1948	1949 to 1952	Total
Manufacturing	15	41	22	22	100
Trading	19	38	25	18	100
Other industries (a)	29	21	28	22	100
All industry (a)	18	37	24	21	100

(a) Excludes Banks.

Nearly half the schemes have been started since 1945, and more than 80 per cent since 1939. Although many large businesses have instituted superannuation schemes in recent years, the greatest relative growth has been among the smaller size businesses surveyed. For the larger size group about one quarter of the schemes date from before 1940, and over 60 per cent from before 1946. Comparative percentages in the smaller size group were 10 per cent prior to 1940 and 40 per cent prior to 1946.

### IV. DIRECT PENSIONS AND RETIRING ALLOWANCE PAYMENTS

Table 7 shows the amounts of pensions and retiring allowances paid by businesses, i.e. paid by the business direct to the employee rather than into a superannuation fund.



TABLE 7 : DIRECT PENSIONS AND RETIRING ALLOWANCE PAYMENTS

Industry	Pensions		Retiring Allowances	
	Amount	Number of Recipients	Amount	Number of Recipients
	£'000		£'000	
Manufacturing				
Engineering, Vehicles	76	400	90	300
Textile, Clothing	34	200	42	200
Food, Drink, Tobacco	167	1,300	189	400
Other manufacturing	81	1,000	211	500
Total manufacturing	358	2,900	532	1,400
Transport	71	400	77	100
Wholesale trade	127	900	190	500
Retail trade	86	500	177	500
Other industries	584	2,200	457	1,800
TOTAL:	1,226	7,600	1,433	4,300

Of the total payments of about £2,659,000, pensions accounted for £1,226,000 or 46 per cent and retiring allowances for £1,433,000 or 54 per cent. 7,600 former employees or their dependants received pensions, averaging about £160 per annum each and 4,300 received retiring allowances, averaging about £330 each.

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